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Financing of the United Nations Mission in Sierra Leone

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Report of the Secretary-General

Summary

The present report provides details on the progress of the final disposition of the assets of the United Nations Mission in Sierra Leone (UNAMSIL). The Mission's assets with a total inventory value of $61,622,700 were disposed of as at 30 June 2006. The disposition of the assets for the period ending 30 June 2006 was undertaken in accordance with United Nations financial regulation 5.14.

Summary of the disposition of assets of the United Nations Mission in Sierra Leone as at 30 June 2006

(Thousands of United States dollars)

Category	*Percentage*	*Inventory value*
Group I: transferred to other missions or for temporary storage at the United Nations Logistics Base at Brindisi	61.0	37 602.7
Group II: disposed of in the Mission area		
Sold	20.6	12 688.5
Donated to the Government of Sierra Leone	13.5	8 333.6
Group III: written-off/lost		
Written-off	4.0	2 477.5
Lost	0.9	520.4
Total	**100.0**	**61 622.7**

The action to be taken by the General Assembly, as set out in paragraph 13 of the present report, is to take note of the present progress report on the disposition of the assets of UNAMSIL.

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I. Introduction

1. The mandate of the United Nations Mission in Sierra Leone (UNAMSIL) was established by the Security Council in its resolution 1270 (1999) and was adjusted and extended by the Council in subsequent resolutions, the last of which was 1610 (2005), by which it extended the mandate of UNAMSIL for a final period of six months until 31 December 2005.

2. The General Assembly, by its resolution 59/14 B, approved the proposed donation of assets to the Government of Sierra Leone, which was prepared on the basis of a preliminary assets disposal plan, as shown in the report of the Secretary-General (A/59/759). As indicated in paragraph 3 of that report, a report on the final disposition of UNAMSIL assets would be submitted to the Assembly at its sixty-first session.

3. As the final disposition is ongoing, the present progress report provides information on the disposition of the assets of UNAMSIL for the period ending 30 June 2006. The assets disposed of as at 30 June 2006 had a total inventory value of $61,622,700. While the majority of the liquidation activity occurred during the 2005/06 financial period, the disposal was not completed because, as at 30 June 2006, 45 items to be sold or donated were still waiting to be physically collected by the corresponding recipients. The disposal process was therefore not completed for those items, which were thus reported as pending write-off as per the United Nations regulations and rules. The final disposition of assets report will be submitted to the General Assembly during its resumed sixty-second session. The disposition of the assets as at 30 June 2006 was undertaken in accordance with United Nations financial regulation 5.14.

4. It should be recalled that in its resolution 59/14 B, the General Assembly, acting on the recommendation of the Advisory Committee on Administrative and Budgetary Questions contained in its report (A/59/736/Add.9), approved the donation of UNAMSIL assets with a total inventory value of up to $8,406,100 and a corresponding residual value of up to $3,829,178 to the Government of Sierra Leone.

5. As a result of the adjustment of the UNAMSIL assets disposition plan and according to the 2006 financial year-end inventory report, 3,328 assets with a total inventory value of $8,333,600 and a corresponding residual value of $3,035,800 were actually donated to the Government of Sierra Leone. The variation of $72,500 (less than 1 per cent), in terms of inventory value, between the planned and actual donation of UNAMSIL assets to the Government of Sierra Leone was due to the fact that prefabricated buildings, satellite stations and computer hardware designated for donation were no longer in useful condition and were not eligible for transfer to the Government of Sierra Leone when the actual donation took place. Only fully operational equipment was donated.

6. Upon completion of the mandate of UNAMSIL on 31 December 2005 and the establishment by the Security Council, in its resolution 1620 (2005), of a one-year follow-on special political mission in Sierra Leone (the United Nations Integrated Office in Sierra Leone (UNIOSIL)) starting on 1 January 2006, UNAMSIL assets with a total inventory value of $21,446,400 were transferred to UNIOSIL, with action on their disposition, including any further donation to the Government of Sierra Leone, to be taken upon completion of the mandate of UNIOSIL.

II. Classification and disposition of the assets of the United Nations Mission in Sierra Leone

7. The process of liquidating the assets of UNAMSIL was guided by the following principles and policies contained in United Nations financial regulation 5.14:

(a) Equipment in good condition that conforms to established standardization or is considered compatible with existing equipment will be redeployed to other peacekeeping operations or will be placed in reserve to form start-up kits for use by future missions;

(b) Equipment not required for current or future peacekeeping operations may be redeployed to other United Nations activities funded from assessed contributions, provided that there is a demonstrated need for the equipment;

(c) Equipment not required for current or future peacekeeping operations or other United Nations activities funded from assessed contributions but which may be useful for the operations of other United Nations agencies, international organizations or non-governmental organizations will be sold to such agencies or organizations;

(d) Any equipment or property not required or which it is not feasible to dispose of in accordance with subparagraphs (a), (b) or (c) above or which is in poor condition will be subject to commercial disposal in accordance with the procedures applicable to other United Nations equipment or property;

(e) Any assets which have been installed in a country and which, if dismantled, would set back the rehabilitation of that country shall be provided to the duly recognized Government of that country in return for compensation in a form to be agreed by the Organization and the Government. This refers in particular to airfield installations and equipment, buildings, bridges and mine-clearing equipment. Where such assets cannot be disposed of in this manner or otherwise, they will be contributed free of charge to the Government of the country concerned. Such contributions require the prior approval of the General Assembly.

8. The UNAMSIL assets with a total inventory value of $61,622,700 as at 30 June 2006 have been grouped into 17 categories: accommodation equipment; air traffic control equipment; communications equipment; data-processing equipment; generators; marine equipment; medical equipment; mine-clearing equipment; miscellaneous equipment; observation equipment; office equipment; petrol tank plus metering equipment; prefabricated buildings; refrigeration equipment; vehicular equipment; water and septic tanks; and water purification equipment.

9. In accordance with the principles and policies recalled in paragraph 7 above, the assets of UNAMSIL have been placed into three groups, as at 30 June 2006, summarized in table 1.

Table 1
Summary of the disposition of assets of the United Nations Mission in Sierra Leone as at 30 June 2006
(Thousands of United States dollars)

Category	*Percentage*	*Inventory value*
Group I: transferred to other missions or for temporary storage at the United Nations Logistics Base at Brindisi	61.0	37,602.7
Group II: disposed of in the Mission area		
Sold	20.6	12,688.5
Donated to the Government of Sierra Leone	13.5	8,333.6
Group III: written-off/lost		
Written-off	4.0	2,477.5
Lost	0.9	520.4
Total	**100.0**	**61 622.7**

10. Group I includes assets identified as meeting the requirements of peacekeeping operations or United Nations activities funded from assessed contributions. The items in this group, with an inventory value of $37,602,700 (61 per cent of total assets value), have been transferred to UNIOSIL, other United Nations missions and the United Nations Logistics Base at Brindisi, Italy, for temporary storage pending future use.

11. Group II includes assets disposed of locally with an inventory value of $21,022,100, representing 34.1 per cent of the total inventory value of UNAMSIL assets. It consists of assets donated to the Government of Sierra Leone with an inventory value of $8,333,600 and a corresponding residual value of $3,035,800. Assets with an inventory value of $12,688,500 and a corresponding residual value of $4,559,600 were sold to United Nations agencies, international organizations and non-governmental organizations, as well as to private companies and individuals on the basis of competitive bidding. The amount of $2,334,800, representing the proceeds of the sale, was credited as miscellaneous income to the UNAMSIL special account (see table 2).

Table 2
Sale of assets of the United Nations Mission in Sierra Leone
(Thousands of United States dollars)

Sold to	*Inventory value*	*Residual value*	*Sale value*
Commercial disposal	10 565.8	3 815.5	1 590.7
United Nations agencies	1 150.7	319.4	319.4
International organizations	965.5	421.5	421.5
Non-governmental organizations	6.5	3.2	3.2
Total	**12 688.5**	**4 559.6**	**2 334.8**

12. The inventory value of assets in group III totals $2,997,900, representing 4.9 per cent of the total assets inventory value and a corresponding residual value of $1,204,900. These assets have been written off as a result of accidents, damage caused by natural elements, obsolescence, normal wear and tear, and because they are uneconomical to repair. Information on all written-off items is summarized in table 3.

Table 3
Written-off United Nations property reported by the United Nations Mission in Sierra Leone
(Thousands of United States dollars)

Category	*Inventory value*	*Residual value*
Accident, damage and faulty equipment	182.2	76.8
Lost or stolen equipment	520.4	197.7
Normal wear and tear and regular life-cycle activity	1 736.6	713.2
Obsolescence	166.8	57.0
Uneconomical to repair	391.9	160.2
Total	**2 997.9**	**1 204.9**

III. Action to be taken by the General Assembly

13. The action to be taken by the General Assembly is to take note of the present progress report on the disposition of the assets of UNAMSIL.